BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Infoline

Contact: bcstats.infoline@gems6.gov.bc.ca Issue: 04-43 October 29, 2004

- **Inflation rate eases to 1.9% in September as energy prices cool down**
- **Manufacturers optimistic about production prospects**
- **Imported beer gaining ground with consumers**

Prices

- **British Columbia's year-over-year inflation rate eased slightly in September, edging down to 1.9%.** The inflation rate has been falling since it peaked at 2.8% in June. Pressure from the energy sector continued to ease, as the year-over-year increase in the cost of energy remained stable, at 6.1%. Excluding the effects of energy, the province's inflation rate would have been 1.5% in September.

  Shelter prices continued to rise (+2.8%), reflecting upward movement in interest rates, higher homeowner insurance premiums and property taxes, and increased utility costs. Prices for piped gas were down 3.1%, but homeowners paid 17.2% more for fuel oil and other fuels.

  The cost of operating a motor vehicle continued to rise (+5.6%), largely due to higher gas (+7.6%) and insurance (+5.6%) prices. Smokers paid more for tobacco (+4.9%) and alcohol prices increased 3.8%. Rising meat prices (+10.1%) pushed the cost of food up 1.0% even though prices for most other food products were lower than in September 2003.

  Victoria's inflation rate was 2.3%, while residents of Vancouver paid an average of 1.9% more for goods and services this September than in the same month last year. *Data Source: Statistics Canada*

- **Canada's inflation rate was 1.8% in September.** Among the provinces, New Brunswick (+1.4%), Ontario (+1.5%) and Alberta (+1.5%) faced the smallest increase in the overall price level. As was the case in BC, energy prices (+5.8%) were a major factor in the overall inflation rate, accounting for 0.4 percentage points of the year-over-year increase. Excluding energy, Canada's inflation rate would have been 1.4% in September.

  Data Source: Statistics Canada

The Economy

- **Manufacturers in the province are, on balance, relatively optimistic about production prospects in the fourth quarter.** Nearly two-thirds (62%, *seasonally adjusted*) of manufacturers surveyed in October said they expect production prospects to be about the same as in the third quarter. Among those anticipating changes, 27% say production will increase, while 10% expect to see declines. Similarly, 15% expect their backlog of unfilled orders to be higher, compared to 7% who expect it to be lower.

  While 70% of manufacturers forecast that the number of orders they receive will be unchanged, 22% think they will rise, compared to 8% who expect a decline. This is the first time since the spring of 2002 that such a large percentage of manufacturers have been satisfied with the number of orders they expect to receive. Overall, 80% think that inventory levels will be about right. Among those who don't, expectations are a little less rosy: 14% say they will be too high, while 6% think they will be too low. Thirteen percent expect that there will be a shortage of skilled labour. Three out of four (72%) do not anticipate facing production difficulties in the fourth quarter.

  Canadian manufacturers are also optimistic about the future, but on the whole were somewhat less likely than their BC counterparts to predict that conditions would improve rather than stay the same in the fourth quarter.

  Data Source: Statistics Canada

- **The number of British Columbians receiving regular employment insurance (EI) benefits increased 4.7% (*seasonally adjusted*) between July and August, rising to 58,960.** Nationally, the number of EI beneficiaries was up 3.4%, to 549,690. *Data Source: Statistics Canada*

Alcoholic Beverages

- **British Columbians aged 15 and over spent an average of $603 at liquor, wine and beer stores**

Report 2001 residence of recent immigrants

Did you know...
According to ghost watchers, Victoria is the most haunted city in the province. One of the most ghostly sites is the Maritime Museum, a former courthouse and jail, said to be haunted by Sir Matthew Baillie Begbie, the "hanging judge" who died in 1894.

in the province in 2003. This was 6.1% more than in the previous year. The Canadian average ($602) was virtually the same as in BC. Among the provinces, per capita alcohol sales were highest in Newfoundland ($669) and lowest in Saskatchewan ($495). Sales in the territories were substantially higher: $1,003 per person in Yukon and $862 in NWT (including Nunavut).

Beer is by far the most popular alcoholic beverage, but consumer tastes are swinging to imported brands. Imported beers captured 12% of the market nationally, and a slightly higher percentage (13%) in this province. They are even more popular in Ontario (18%). However, residents of Saskatchewan seem to prefer Canadian brews, which have 99% of the market in that province.

Government profits from the control and sale of alcoholic beverages are highest in Saskatchewan ($228 per capita) and Alberta ($215). In BC, the government receives an average of $192 per person from alcohol sales. Revenues are lowest in Quebec ($88) and Ontario ($99).

Data Source: SC, Catalogue 63-202

From the Pumpkin Patch...

- **It's growing and growing. And growing.** Canadian farmers have more than doubled the amount of land devoted to growing pumpkins (including squash and zucchini) between 1986 and 2001. With sales of almost $22 million in 2001, pumpkins have become Canada's seventh most important vegetable crop, after potatoes, sweet corn, peas, beans, tomatoes and carrots. (That's still only about 2% of the $961 million value of Canadian potato production.) The fast growth appears to be related to the popularity of pumpkins at Thanksgiving and Halloween.

  Most pumpkin farms are located near urban areas, and a number of farmers are opening their farms to day-trippers, offering activities such as pumpkin carving and hayrides in the fall. In BC, the biggest pumpkin growing area is in Lower Mainland/Southwest, where there were 149 pumpkin-producing farms in 2001.

  Data Source: SC, The Daily

The Nation

- **Canada produced 45% more energy than it consumed in 2002, despite the fact that per capita energy consumption reached a record high.** Canada is a significant exporter of energy, primarily to the United States. Energy exports reached $55.1 billion in 2001, representing 14% of total international shipments. Nearly two-thirds of Canadian oil production, and just over half of the country's natural gas output, was exported. Canada is the world's biggest producer of hydroelectricity, and ranks among the top 10 nations for all energy sources except coal. The US and Russia are the only nations in the top 10 for all categories. *Data Source: SC, The Daily*

- **Manufacturers received 4.6% more for their products this September than in the same month of 2003.** BC softwood lumber prices were up 12.3%, largely because producers in the Interior received 15.9% more for their lumber. Coastal mills saw a more modest 4.4% increase. BC pulpwood chip prices (+11.0%) remained well above September 2003 levels. Canadian paper producers saw prices rise 3.7%. Prices for metal concentrates remained robust, with double (and triple) digit increases for all but one of BC's major metal products. The price of gold (+1.2%) was virtually unchanged from September 2003. Prices for coal (-1.0%) and natural gas (+1.0%) changed only marginally, but crude oil prices continued to soar (+56.8%). *Data Source: Statistics Canada*

- **Canada's economy expanded 0.5% (*seasonally adjusted*) in August, moving ahead on strong gains in both the goods (+0.6%) and service (+0.4%) sectors.** Manufacturing (+1.0%) picked up steam and the utilities industry (+1.2%) made solid gains. In the service sector, retail (+1.1%) and wholesale (+0.8%) trade provided a big boost. Transportation & warehousing (-0.1%) and information & cultural services (-0.0%) were the only service industries that did not expand at least marginally in September.

  Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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Originally published in *Immigration Highlights*, Issue 04-2. Annual Subscription $30 +GST

2001 Residence of Recent Immigrants

Every year a large number of immigrants choose to settle in British Columbia. Most establish themselves in the province's largest centres in the Lower Mainland and the Capital region. These large centres of population offer many services aimed at easing the adjustment to a new country. For those of ethnic or cultural minorities, pre-existing cultural communities may ease the transition, and widespread language services assist those who must improve their ability to speak one of Canada's official languages. The large centres also provide numerous employment opportunities for individuals of varying skill levels.

Of the immigrants who arrived in Canada between 1996 and 2001, the majority were living in one of British Columbia's Census Metropolitan Areas (CMA) in 2001, and most of these resided in the Vancouver CMA. However, almost 12,000 individuals were living in non-CMA areas at the time of the census.

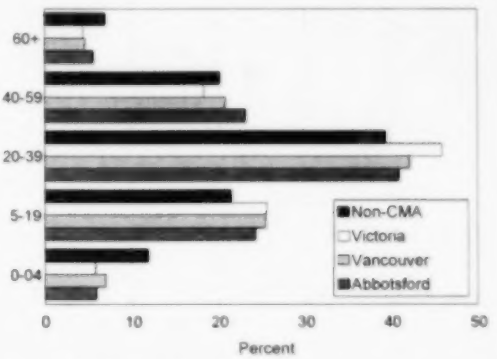
Residence of Recent Immigrants* in 2001

	Number	Percent
BC	191425	100
CMA	179470	93.8
Abbotsford CMA	5105	2.7
Vancouver CMA	169615	88.6
Victoria CMA	4750	2.5
Non-CMA	11955	6.2

*Refers to immigrants who arrived in Canada between 1996 and 2001

The attraction of CMAs for recent immigrants is very strong. Overall, 63% of British Columbia's population lived in a CMA in 2001. The proportion of new immigrants who resided in a CMA was much higher at 94%. This is perhaps not surprising considering the source countries of most recent immigrants in British Columbia. The top five source countries for recent immigrants who arrived in the 1996- 2001 period and stated an intention to settle in British Columbia were China, Taiwan, India, Hong Kong and the Philippines. Asia was the last permanent residence of 77% of recent immigrants who intended to settle in British Columbia. Most of these immigrants would likely be in need of the services offered in CMAs to assist them to become successfully established in British Columbia.

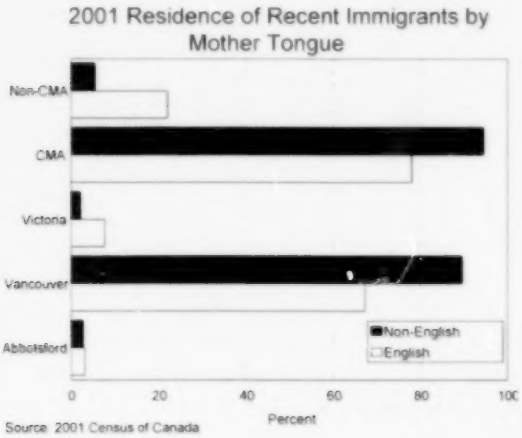
2001 Residence of Immigrants by Age a Immigration(Landed 1996 to 2001)



Source: 2001 Census of Canada

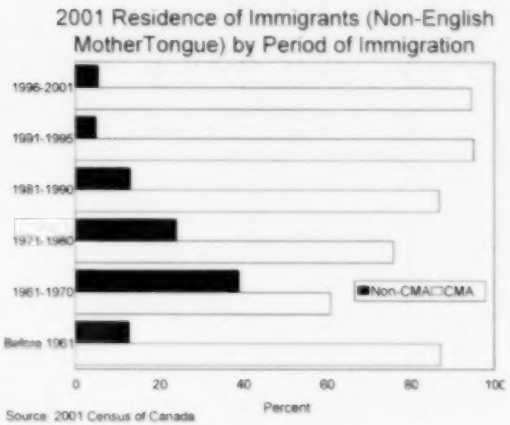
The above chart demonstrates the residence of recent immigrants of selected age groups. Most notable is the higher numbers of immigrants at each end of the age spectrum in non-CMAs.

As expected, immigrants whose mother tongue was not English were more likely to be living in a CMA in 2001. Recent immigrants who resided in non-CMAs were far more likely to be native English speakers. Vancouver CMA was clearly the choice of the majority of recent immigrants regardless of their mother tongue. Interestingly, immigrants for whom English is a second language are less likely to settle in Victoria than are other recent immigrants. As the provincial capital, government and tourism dominate Victoria's economy. It is likely that this less diversified economy provides fewer opportunities for new immigrants who have not yet mastered the language.



Immigrants with a non-English mother tongue are more likely to live in a CMA regardless of when they immigrated to Canada. However, compared to the most recent immigrants, those who have been in Canada the longest were more likely to be living outside a CMA in 2001. Among other factors, it is likely that increased language competence allows a greater number of immigrants to access opportunities outside of the CMAs.

Language ability seems to be only one of many reasons why recent immigrants may choose to live in a CMA. Recent immigrants who speak English are more likely to live in non-CMAs than are non-English speakers (20% compared with 4%), the majority resided in CMAs in 2001. Relative to the newest immigrants, those who have lived in Canada longer are more likely to be residing in non-CMAs.



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BC at a glance . . .

POPULATION (thousands)	Jul 1/04	% change on one year ago
BC	4,196.4	1.1
Canada	31,825.4	0.9
GDP and INCOME		
(BC - at market prices)	2003	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	142,418	5.1
GDP *($ 1997 millions)*	130,914	2.2
GDP *($ 1997 per Capita)*	31,572	1.4
Personal Disposable Income *($ 1997 per Capita)*	19,495	-0.4
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Aug	3,659	1.7
Merchandise Exports - Aug	2,799	-0.8
Retail Sales - Aug	3,959	-0.2
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Sep '04	% change
BC	123.5	1.8
Canada	124.9	1.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Sep '04	prev. month
Labour Force - BC	2,238	-0.1
Employed - BC	2,080	0.6
Unemployed - BC	158	-8.3
		Aug '04
Unemployment Rate - BC *(percent)*	7.1	7.7
Unemployment Rate - Canada *(percent)*	7.1	7.2
INTEREST RATES (percent)	Oct 27/04	Oct 29/03
Prime Business Rate	4.25	4.50
Conventional Mortgages - 1 year	4.90	4.55
- 5 year	6.40	6.40
US/CANADA EXCHANGE RATE	Oct 27/04	Oct 29/03
(avg. noon spot rate) Cdn $	1.2257	1.3097
US $ *(reciprocal of the closing rate)*	0.8155	0.7624
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Sep '04	one year ago
BC	696.72	1.4
Canada	685.60	2.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Make your own data tables!

Population data for a number of administrative boundaries in B.C. can now be accessed through a new procedure on the BC Stats web site. Instead of providing static html, the user can now select region type, region, year, sex and five-year age group through an interactive selection process for just the data they need, when they need it. This will allow BC Stats to make available updated population data through the web site faster than ever before. The user has the option of viewing the requested information on screen in their browser and/or downloading the data in spreadsheet friendly comma delimited format files.

Historical data are available by age group and sex; projections are freely available only for population.

www.bcstats.gov.bc.ca/data/pop/pop/estspop.htm

Projected age-sex population data are available through our WebStore.

Life Expectancy at birth is also now available, using the same selection procedure, for a variety of different sub-provincial administrative boundaries.

www.bcstats.gov.bc.ca/data/pop/popstart.htm#vital

Released this week by BC STATS

- Consumer Price Index, September 2004
- Business Indicators, October 2004
- Current Statistics, October 2004

Next week

- No subscription releases

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